

Addendum to Proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives

Update to reflect corrections in the Funding Plan

On November 16, 2023, the California Air Resources Board adopted the proposed Board Resolution 23-23 approving the Proposed Fiscal Year 2023-24 Funding Plan for Clean Transportation Incentives (Funding Plan). Since the publication of the Funding Plan on October 6, 2023, staff has identified some non-substantive grammatical and consistency errors in the Funding Plan and between the Funding Plan and Resolution and provides clarifications of those errors below.

Executive Summary

Page ES-2

Staff identified a typographical error in the text at the top of page ES-2, which is a continuation of the bullet at the bottom of page ES-1. The reference to STEP should read Sustainable Community-Based Transportation Equity Projects as shown in the bullet below:

- \$140 million appropriated for clean transportation equity programs. This includes \$80 million for the broad suite of statewide transportation equity programs established under the Charge Ahead Initiative, SB 1275 (De León, Chapter 350, Statutes of 2014), including but not limited to the Clean Cars 4 All Program (CC4A), plus \$60 million specifically for Sustainable Community-Based Transportation Equity Projects which increase access to zero-emission mobility in disadvantaged and low-income communities, reducing vehicle miles traveled (VMT) and air pollution.

Page ES-5

Staff identified a typographical error in the text in Table ES-1. The reference to Sustainable Transportation and Mobility Equity Programs should read Sustainable Community-Based Transportation Equity Projects.

Page ES-6

Staff identified a typographical error in the text at the bottom of page ES-6 regarding Key Policy Changes for the Innovative Small E-Fleet (ISEF) project. Page 77 of The Funding Plan correctly states that one hundred percent of ISEF goes to fleets with 20 or fewer vehicles. Page ES-6 states that staff propose to increase incentive amounts for fleets with fewer than 20 medium- and heavy-duty vehicles. It should read "20 or fewer" as shown in the corrected sentence below:

Staff also proposes to increase incentive amount for fleets with 20 or fewer medium-and heavy-duty vehicles and less than \$15 million in annual revenue.

Chapter 1: Introduction and Background

Clean Transportation Incentives and the Zero-Emission Vehicle Package

Staff identified a typographical error in the first bullet on page 2. The reference to STEP should read Sustainable Community-Based Transportation Equity Projects as shown in the bullet below:

- \$140 million appropriated for clean transportation equity programs. This includes \$80 million for the broad suite of statewide transportation equity programs established under the Charge Ahead Initiative, SB 1275 (De León, Chapter 350, Statutes of 2014), including but not limited to the Clean Cars 4 All Program (CC4A), plus \$60 million specifically for Sustainable Community-Based Transportation Equity Projects which increase access to zero-emission mobility in disadvantaged and low-income communities, reducing vehicle miles traveled (VMT) and air pollution.

Chapter 3: Clean Transportation Equity and Light-Duty Vehicle Investments

To align the Funding Plan with Board Resolution 23-23, the following pages of the Funding Plan are changed to read as follows:

On page 44, after "If demand for funding for the statewide project is lower than \$14 million, then staff is proposing that funds can be shifted to meet demand for the Financing Assistance for Lower Income Consumers (Financing Assistance) project," staff added "Where there is an identified need to divide and move available CC4A funding between the Statewide and Regional (Air District) CC4A Programs as well as between the Statewide Financing Assistance Program, funds may be moved around. This is to ensure that these Programs have adequate funding to meet demand through the end of the 2024 calendar year. The resolution provides the Executive Officer or his or her designee with the authority to re-allocate available funds in this manner prior to December 31, 2024. Additionally, the funds must not have previously been liquidated, encumbered or obligated."

On page 50, after "If demand for funding is lower than \$28 million, then staff proposes that funds can be shifted to meet demand for the statewide CC4A project. A detailed explanation of the projection methodology can be found in Appendix C to this Funding Plan," staff added " Where there is an identified need to divide and move available CC4A funding between the Statewide and Regional (Air District) CC4A Programs as well as between the Statewide Financing Assistance Program, funds may be moved. This is to ensure that these Programs have adequate funding to meet demand through the end of the 2024 calendar year. The resolution provides the Executive Officer or his or her designee

with the authority to re-allocate available funds in this manner prior to December 31, 2024. Additionally, the funds must not have previously been liquidated, encumbered or obligated."

Chapter 4: On-Road Heavy-Duty Vehicle and Off-Road Equipment Investments

Clean Truck and Bus Voucher Incentive Project (HVIP), page 72

On page 72 of the Funding Plan, staff identified a typographical error with the first sub-bullet under Small Fleet Support. Page 77 of The Funding Plan correctly states that one hundred percent of ISEF goes to fleets with 20 or fewer vehicles. The sub-bullet reads that HVIP would offer double the base voucher amount to fleets with fewer than 20 medium- and heavy-duty vehicles.... The sub-bullet should read as follows:

- o Align the HVIP small-fleet definition with that of ISEF and raise purchase incentives in HVIP to match the incentive amounts in ISEF. This would result in HVIP offering double the base voucher amount to fleets with 20 or fewer medium- and heavy-duty vehicles and less than \$15 million in annual revenue.

In the last bullet on page 72, staff identified a typographical error in Sustainable Community-Based Transportation Equity Project. It should read Projects in plural as this represents a suite of projects. Additionally, the terms CMO, CMIS, and the STEP are subsumed by the term "Projects" and are no longer necessary to call out separately. The paragraph should read as follows:

Support Co-Funding with Sustainable Community-Based Transportation Equity Projects: With limited funding and high demand, staff proposes expanding funding for the projects within CARB's suite of Sustainable Community-Based Transportation Equity Projects by using HVIP to cover costs for HVIP-eligible vehicles in project proposals. The change for grant recipients would be seamless: if an applicant proposes a project that includes HVIP-eligible vehicles, HVIP, rather than the mobility program, would cover those incentive costs not to exceed the current maximum HVIP funding allowed of the zero-emission vehicle purchase cost (excluding taxes and fees). This change will leave more funding in those programs for additional projects.

Chapter 6: Contingency Measures, page 88

Project Demand

Also on page 88, the first sentence should have included the word "and" between "Table 7 and Table 8."

To align the Funding Plan with Board Resolution 23-23, the following pages of the Funding Plan are changed to read as follows:

On page 89, Project Demand, after "Conversely, staff proposes that the Executive Officer have the ability to reallocate funding from any project in the event that demand does not materialize or if it is determined that the project is not viable as envisioned in the Funding Plan (e.g., a technology considered for demonstration or pilot deployment is not ready to be funded, or sufficient staff resources are not available). In this case, funds would be reallocated within the same project category or sector. For example, if demand falls short for one of the transportation equity projects, CARB would shift that funding to another transportation equity project. Any changes in funding for a particular project category would be publicly vetted through a public project work group process," staff added "Where there is an identified need to divide and move available CC4A funding between the Statewide and Regional (Air District) CC4A Programs as well as between the Statewide Financing Assistance Program, funds may be moved. This is to ensure that these Programs have adequate funding to meet demand through the end of the 2024 calendar year. The resolution provides the Executive Officer or his or her designee with the authority to re-allocate available funds in this manner prior to December 31, 2024. Additionally, the funds must not have previously been liquidated, encumbered or obligated."

List of Acronyms

On page 97 of the Funding Plan, staff identified a typographical error in the definition of the acronym STEP. The definition should read STEP - Sustainable Transportation Equity Project.